

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7078

BILL NUMBER: SB 229

DATE PREPARED: May 1, 2001

BILL AMENDED: Apr 29, 2001

SUBJECT: Health Care Educator.

FISCAL ANALYST: Jim Landers

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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill requires the Department of Insurance to establish the position of a Health Insurance Educator to provide specified information to the public regarding health insurance. The bill prohibits the Health Insurance Educator from making recommendations regarding a particular company, insurance producer, or product and from interpreting or advising individuals regarding particular issues that are subject to federal law.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) This bill establishes the position of Health Insurance Educator in the Department of Insurance. The bill provides for the following duties for this position:

1. Assist consumers in making informed decisions regarding health plans by providing information regarding the following:

- A. The purchase, or enrollment in, a health benefit plan.
- B. The manner in which to resolve a dispute with a health plan.
- C. The method of filing a claim under a health benefit plan..
- D .The availability of resources useful to a health benefit plan consumer.
- E. Consumer rights and responsibilities under a health benefit plan.

Costs (salary and fringe benefits) for a staff person for this position is estimated to be \$48,500 for each of FY 2002 and FY 2003. (The April 2, 2001 Manning Table indicates that the Department has 23 vacancies.)

Computer costs are estimated to be an additional \$5,000 for FY 2002 . The costs for outreach activities (mileage, supplies) is estimated to be approximately \$6,500 annually. The total costs for FY 2002 would be \$60,000 and \$55,000 for FY 2003.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance.

Local Agencies Affected:

Information Sources: Family and Social Services Administration, Office of the Long-Term Care Ombudsman, Dept. of Insurance